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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/775,265	02/01/2001	Paul Clark Blalock	BY15/33313-U	7230
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STITES & HARBISON, PLLC 400 W MARKET ST SUITE 1800 LOUISVILLE, KY 40202-3352			JARRETT, SCOTT L	
			ART UNIT	PAPER NUMBER
			3623	

DATE MAILED: 11/23/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/775,265

Applicant(s)

BLALOCK ET AL. 

Examiner

Scott L. Jarrett

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 01 February 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-26 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-26 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date <u>10/3/02, 3/5/02, 8/9/01, 4/26/01</u> | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claim Rejections - 35 USC § 112

1. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

2. Claim 20 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite and failing to point out and distinctly claim the subject matter which the applicant regards as the invention.

Regarding Claim 20, claim 20 recites the limitation "a system as recited in claim 19". There is insufficient antecedent basis for this limitation in the claim as claim 19 embodies a method. Examiner read Claim 20 to read "a method as recited in claim 19." Corrective action is required.

Claim Rejections - 35 USC § 101

3. Claims 1-26 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

Regarding Claims 1-13, claims 1-13 only recite an abstract idea. The recited system for negotiating transportation contracts does not apply, involve, or use the technological arts since all of the recited steps can be performed in the mind of the user or by use of a pencil and paper. The claimed invention, as a whole, is not within the technological art as explained above claims 1-13 are deemed to be directed to non-statutory subject matter.

Mere intended or nominal use of a component, albeit within the technological arts, does not confer statutory subject matter to an otherwise abstract idea if the

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component does not apply, involve, use, or advance the underlying process. In the present case, none of the recited steps are directed to anything in the technological arts as explained above with the exception of the recitation of the terms “database”, “server”, “World Wide Web”, “browser” and “network.” Therefore, the terms discussed are taken to merely recite a field of use and/or nominal recitation of technology.

Regarding Claims 14-20, claims 14-20 only recite an abstract idea. The recited method for negotiating transportation contracts does not apply, involve, or use the technological arts since all of the recited steps can be performed in the mind of the user or by use of a pencil and paper. The claimed invention, as a whole, is not within the technological art as explained above claims 14-20 are deemed to be directed to non-statutory subject matter.

Mere intended or nominal use of a component, albeit within the technological arts, does not confer statutory subject matter to an otherwise abstract idea if the component does not apply, involve, use, or advance the underlying process. In the present case, none of the recited steps are directed to anything in the technological arts as explained above with the exception of the recitation of the terms “database”, “server”, “World Wide Web”, “browser” and “network.” Therefore, the terms discussed are taken to merely recite a field of use and/or nominal recitation of technology.

Software, programming, instructions or code not claimed as embodied in computer-readable media are descriptive material per se and are not statutory because

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they are not capable of causing functional change in a computer. When such descriptive material is recorded on some computer-readable medium it becomes structurally and functionally interrelated to the medium and will be statutory in most cases.

Furthermore, software, programming, instructions or code not claimed as being computer executable are not statutory because they are not capable of causing functional change in a computer. In contrast, when a claimed computer-readable medium encoded with a computer program defines structural and functional interrelationships between the computer and the program, and the computer is capable of executing the program, allowing the program's functionality to be realized, the program will be statutory.

Regarding Claims 21-26, claims 21-26 do not utilize the proper computer program product format and effectively recite descriptive material (software) per se. Claims 21-26 are therefore deemed to be directed to non-statutory subject matter where there is no indication that the proposed software is recorded on computer-readable medium and/or capable of execution by a computer. Examiner suggests that the applicant incorporate into Claims 21-26 language that the proposed software is recorded on computer-readable medium and capable of execution by a computer to overcome this rejection.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1-26 are rejected under 35 U.S.C. 103(a) as being unpatentable over Carlton-Foss, U.S. Patent No. 6,647,373 in view of Barni et al., U.S. Patent No. 6,064,981.

Regarding Claims 1, 14, 21 and 23 Carlton-Foss teaches a system for managing reverse auctions; reverse auctions traditionally taking the form of Request for Information (RFI), Request for Quotation (RFQ), Request for Proposal (RFP) and/or specification of items for bidding (Column 1, Lines 19-40).

More generally Carlton-Foss teaches a system for negotiating contracts through a computer network comprising:

- a database for storing and maintaining identifying information related to a plurality of users, the users having registered with the system (Figures 8 and 9; Figures 6 and 7, Element 32; Figure 1, Element 30; Column 5, Lines 51-53);
- wherein the database stores and maintains information related to a plurality of request for quotation defining the buyer's requirements (Figure 1, Element 26; Figure 5, Element 115; Column 3, Lines 45-68);

- wherein a plurality of sellers (bidders) can access the system through a computer network to review a plurality of requests for quotation (Column 3, Lines 13-37 and 60-68; Figure 1, Element 14; Figure 2; Figure 12a);
- wherein sellers can submit a plurality of bids in response to a plurality of requests for quotation (Column 3, Lines 13-37); and
- wherein buyers (requestors) select (award) one or more request requirements to one or more sellers (Column 1, Lines 28-36; Column 6, Lines 13-16 and 65-68; Column 7, Lines 1-4).

Carlton-Foss further teaches that request for quotes include a plurality of information (dimensions) other than price including but not limited to brand, quality, timing of delivery, financial and product/service information, which would have included incidental product/services or information (accessorial) relevant to the response to the request for quote (Column 1, Lines 25-28; Column 3, Lines 25-30).

Carlton-Foss does not expressly teach the implementation or utilization of the disclosed system for negotiating contracts for the transportation industry. More specifically Carlton-Foss does not expressly teach transportation specific participants (shippers and carriers) or transportation specific information commonly included in request for transportation quotes (transportation lanes or freight of all kinds (FAK)).

Barni et al. teaches system for negotiating transportation contracts (online auction method; Column 1, Lines 9-20; Column 2, Lines 12-29; Claims 1-5) comprising:

- the storage and maintenance of identifying information related to a plurality of users, the users having registered with the system (Column 4, Lines 33-37; Column 7, Lines 45-47);
- the storage and maintenance of information related to a plurality of request for quotation defining a particular shipper's transportation requirements and comprised of a plurality of transportation lanes (Column 1, Lines 62-68; Column 4, lines 42-51; Column 2, Lines 12-16; Figures 4 and 6-8);
- wherein a plurality of sellers (carrier, freight forwarder, common carrier or the like; Column 4, Lines 48-55) can access the system through a computer network to review a plurality of requests for quotation (Column 4, Lines 15-35; Figure 2, Element 36);
- wherein sellers can submit a plurality of bids in response to a plurality of requests for quotation (Figures 10-11); and
- wherein buyers select (negotiate) one or more request requirements to one or more sellers (Column 4, Lines 58-68; Column 7, Lines 39-50; Figure 12).

Barni et al. further teaches transportation specific participants (shippers and carriers) and transportation specific information commonly included in request for transportation quotes (transportation lanes, transportation routes, origin, destination, equipment type, load, ship dates, weight and the like; Figures 4-12).

It would have been obvious to one skilled in the art at the time of the invention that the general system for negotiation contracts as taught by Carlton-Foss would have benefited from the increased relevancy, specificity and applicability to the transportation industry provided by the system for negotiating transportation contracts as taught by Barni et al.

Regarding Claims 2, 5, 8, 15 and 25 Carlton-Foss teaches a contract negotiation system wherein buyers can review bids, including all relevant response information, submitted by sellers and award contract requirements to one or more sellers as discussed above (Column 1, Lines 28-36; Column 3, Lines 13-37; Column 6, Lines 13-16 and 65-68; Column 7, Lines 1-4).

Carlton-Foss is silent on the specific utilization of the disclosed system for negotiating transportation contracts as discussed above.

Barni et al. teaches a system for negotiating transportation contracts as discussed above.

It would have been obvious to one skilled in the art at the time of the invention that the general system for negotiating contracts as taught by Carlton-Foss could have been readily adapted to provide a system for industry specific contract negotiations in

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any of a number of industries including but not limited to, the ability to provide a system for negotiating transportation contracts wherein industry specific information/dimensions related to the transportation contracts were provided in view of the teachings of Barni et al. The adaptation of the Carlton-Foss contract negotiation system to the transportation industry would provide an efficient means for managing the request for quotation process for the transportation industry.

Regarding Claims 3, 6, 9, 16 and 22 Carlton-Foss teaches that sellers can review, accept or reject (negotiate) the selection (awarding) of the seller by the buyer to provide one or more of the buyer's requirements (negotiation; Column 1, Lines 30-36; Column 6, Lines 56-68).

Regarding Claims 4 and 17 Carlton-Foss teaches a system for managing a plurality of request for quotation and the associated responses to the request for quotation wherein the request for quotation or the response to the request for quotation contains a plurality of information relevant to the contract negotiation process as discussed above (unspecified number of qualitative and quantitative dimensions, providing relevant information; Column 1, Lines 25-28; Column 3, Lines 25-30).

Carlton-Foss further teaches the evaluation of a plurality of responses (bids) and the eventually selection (awarding) of the bids based on the information and criteria reviewed as part of the bid evaluation process (Column 3, Lines 34-37; Figure 4a and 4B; Figure 5, Element 122; Figures 11 and 15);

Regarding Claims 7 and 18 Carlton-Foss teaches a system for negotiating contracts wherein bids contain a plurality of dimensions and sellers can bid on a plurality of requests for quotes as discussed above (Column 1, Lines 25-28; Column 3, Lines 25-30).

Carlton-Foss does not teach the use of a freight of all kinds matrix wherein sellers can review and bid on one or more transportation routes defined by the matrix.

Barni et al. teaches a system for negotiating transportation contracts wherein bids contain a plurality of information as discussed above (Figures 4-12). Barni et al. further teaches a system for negotiating transportation contracts further wherein users can select on multiple bids/offers from a comparison table (matrix) of potential bids (Figure 4, User Selection; Figure 11; Column 1 Lines 61-65; Column 5, Lines 20-25; Column 7, lines 38-47).

Barni et al. does not express teach the use/inclusion of the Freight of All Kinds (FAK) bidding matrix.

Official notice is taken that the use of Freight of All Kinds information (matrix) as part of the negotiation of transportation contracts is old and well known in the art. Further it would have been obvious to one skilled in the art at the time of the invention to

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include any and all information necessary for the complete and concise execution of negotiations between buyers (shippers) and sellers (carriers) in view of the teachings of both Carlton-Foss and Barni et al. Accordingly, it would have been obvious to one skilled in the art at the time of the to include in the system for negotiating contracts the Freight of All Kinds (FAK) bidding matrix to insure all necessary and relevant information is available to all parties involved in the contract negotiations.

It would have been obvious to one skilled in the art at the time of the invention that the system for negotiating contracts as taught by Carlton-Foss would have benefited from the additional ability to compare offers/bids side by side and select one or more bids/offers based on a plurality of information related to the bid/offer.

Regarding Claim 10 and 11 Carlton-Foss teaches a means for evaluating bids through the use of a filtering mechanism (selection criteria; Abstract) and any and all information relevant to consideration of bid as discussed above.

Carlton-Foss does not teach a filtering mechanism (selection criteria) enabling users to view proposals (bids) associated with specific transportation lanes.

Barni et al. teaches a filtering mechanism of Barni et al. enabling users to view proposals (bids) associated with specific transportation lanes and a plurality of other criteria including but not limited to: air port-to-port, sea port-to-port, land point-to-point,

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origin, destination, date, equipment type and the like (Figures 4, 8 and 11; Column 6, Lines 47-50) thereby providing a means for users to obtain competitive information without having to visit a plurality of third-party sites (Column 1, Lines 52-55; Column 5, 19-25).

It would have been obvious to one skilled in the art at the time of the invention that the general system for negotiation contracts as taught by Carlton-Foss would have benefited from the increased relevancy, specificity and applicability to the transportation industry provided by the system for negotiating transportation contracts, including the implementation of the filtering mechanism, as taught by Barni et al. thereby providing a means for users to obtain competitive information without having to visit a plurality of third-party sites.

Regarding Claims 12 and 19 Carlton-Foss teaches a system for negotiating contracts on a network and further wherein the network is the Internet (Word Wide Web, online; Column 3, Lines 4-6; Figures 1-3).

Regarding Claims 13 and 20 Carlton-Foss teaches a system for negotiation contracts that is accessed through an Internet browser (World Wide Web; URL, hotspot; Column 6, Lines 27-31; Figure 12b).

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Regarding Claim 24 Carlton-Foss teaches the notification of the buyer (shipper) of the receipt of one or more bids in response to the request for quotation from the seller (carrier) (Figures 12a and 15; Column 3, Lines 30-33 and 65-58; Column 6, Lines 12-16).

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- Hnat, U.S. Publication No. US2001/0025268, teaches a system for the on-line auctioning of transportation routes wherein transportation providers can bid through an on-line auctioning process in response to request for quotes (RFQs) or requests for information (RFIs) and the acceptance of bids by both the carriers (transportation providers) and shippers (buyers).

- Friend et al., U.S. Publication No. US2001/0032165, teaches system for negotiating transportation contracts (trading platform for the processing and negotiation of request for quotes/transaction offers) between shippers (growers, vendors) and carriers in the agricultural industry.

- Aycock et al., U.S. Patent No. 5,765,138, teaches a method for evaluating a supplier's capabilities in order to qualify a supplier as a vendor for a specific project or business need. More specifically Aycock et al. teaches a system for negotiating services/products through the use of requests for quotations (RFQs) and supplier responses to RFQs, including price and other supplemental capability information.

- Hahn-Carlson, U.S. Patent No. 5,910,896 teaches a shipment transaction system that processes information related to shipment transactions amongst multiple shippers and carriers.

- Giovannoli, U.S. Patent No. 5,758,328 teaches a system for processing requests for quotation (request, response, negotiation and acceptance/award) in a marketplace (network).

- Giovannoli, U.S. Patent No. 5,842,178 teaches a system for processing requests for quotation (commercial transactions) amongst a plurality of buyers and sellers wherein a means for filtering is provided to select the appropriate buyers and sellers to receive and request quotes.

- Nicholls et al., U.S. Patent No. 5,485,369 teaches a system that facilitates the process of shipping goods by a shipper having a predefined set of shipping requirements via a carrier having a predefined rate structure.

- Cukor et al., U.S. Patent No. 5,168,444 teaches an integrated shipping transaction management system having remote stations. The system provides for processing images of shipping transaction documents.

- Shavitz et al., U.S. Patent No. 4,799,156 teaches an interactive marketplace for processing business transactions including support for request for quotes and transportation services. More specifically Shavitz et al. teaches a system that enables buyers to submit a request for quotation. Then, based on data in the system, the system may prepare a bid.

- Lockwood, U.S. Patent No. 4,567,359 teaches a central processing system in which service and price rate information are stored. The system includes providing information to customers and enabling customers to transmit orders to the central

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processing system. The central processing system includes means for accepting and processing customer orders for goods, information, and services.

- Levitt, Collaboration.com, teaches electronic collaboration between shippers, carriers and their customers as a key to improving the efficiency of the supply chain. More specifically Levitt teaches the importance of the strategic planning phase, which includes contract bidding activities and the use of Sabre Technologies Internet based bidding/response tool (OptiBid).

- Kickey, OptiBid for Wal-Mart, teaches the process improvements gained by Wal-Mart when the company implemented OptiBid's bidding (RFQ/RFP) process enabling carriers to bid on transportation lanes as well as the expectation that such technologies are becoming widely adopted.

- 2000 in Technology, teaches a timeline of important technology events in 2000 as they relate to the transportation and logistics industry including the prevalence of transportation exchanges and the launch of: Capstan's virtual trading network, Sante Fe's Internet marketplace FreightWise and the National Industrial Transportation League's Global Shippers Network.

- Commerce One Acquires CommerceBid.com: B2B E-Commerce Leader Acquires B2B Auction Services Technology Leader, teaches the availability of business-to-business auction and reverse auction services for use in large marketplaces and exchanges. More specifically the article teaches the strategic benefits of reverse auctions for supporting the request for proposal (RFP) and request for quote (RFQ) processes.

- Dalton, Going, going, gone!, teaches the impact of on-line bidding on the supply chain citing several examples of reverse auctions by Fortune 500 companies.
- Coopee, Auctions tap into the enterprise, teaches the growth of business-to-business Internet based auctions and includes an analysis of three auction technology providers OpenSite Technologies, Moai Technologies and Emaze.
- Bubbeo, RFQ solutions for managing your supply chain, teaches the use of the request for quote (RFQ) systems as a means for addressing supply-chain management challenges. More specifically Bubbeo teaches the use of Digital Buyer an entirely Internet based RFQ management solution.
- Carbone, There's more to e-commerce than POs, teaches the importance business place on the ability to manage request for quotation (RFQ) process on-line and Digital.market's Digital Buyer RFQ management (purchasing) solution.
- Veeramani et al., Methodologies for rapid and effective response to requests for quotations (RFQs), teaches the strategic nature and role order capture, which encompasses requests for quotes, play in business-to-business transactions. More specifically Veeramani et al. teaches that the basic process for handling RFQs has not changed significantly due to advancements in technologies.
- Queere, Bid it out, teaches the prevalence and importance of on-line business-to-business auctions including reverse auctions and dynamic pricing engines, which support more complex transactions based on selection criteria other than price.
- Banfield, Harnessing Value in the Supply Chain: Strategic Sourcing in action, teaches strategic sourcing as a means for harnessing value in the supply chain

including the use, development, evaluation and management of requests for information (RFIs) and requests for proposals (RFPs).


- Kumar et al., Business Negotiation on the Internet, teaches the structure of different price negotiation mechanisms as well as the specific types of auctions and processes steps involved in each.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Scott L. Jarrett whose telephone number is (703) 305-0587. The examiner can normally be reached on 8:00AM - 5:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hafiz Tariq can be reached on (703) 305-9643. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

SJ
11/17/2004


SUSANNA M. DIAZ
PRIMARY EXAMINER
A.U. 3623